



Restaurant
& Catering

Design of National Careers Institute

R&CA Submission

November 2019

RESTAURANT & CATERING AUSTRALIA

Restaurant & Catering Australia (R&CA) is the national industry association representing the interests of more than 47,000 restaurants, cafés and catering businesses across Australia. The café, restaurant and catering sector is vitally important to the national economy, generating over \$37 billion in retail turnover each year as well as employing 450,000 people. Over 92 per cent of businesses in the café, restaurant and catering sector are small businesses, employing 19 people or less.

R&CA delivers tangible outcomes to small businesses within the hospitality industry by influencing the policy decisions and regulations that impact the sector's operating environment. R&CA is committed to ensuring the industry is recognised as one of excellence, professionalism, profitability and sustainability. This includes advocating the broader social and economic contribution of the sector to industry and government stakeholders, as well as highlighting the value of the restaurant experience to the public.



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INTRODUCTION

R&CA is firmly of the view that the National Careers Institute is a welcome initiative. An effective and coordinated national approach to careers development will more effectively serve students and job seekers with better information and advice throughout their life. A well-informed careers market will also improve the chances of skill needs being met, and that the investment made in education and training is more effective.

In establishing the National Careers Institute, it is also useful to clearly define its role at the outset, commencing with ensuring that the definition of career is defined in a succinct way that focuses on work and learning. It then needs to operate with proper advice and within a structure that connects it to its key stakeholders including all governments, industry, schools and career sector stakeholders.

POLICY RECOMMENDATIONS

Recommendation 1: Promotion of Vocational Education and Training should embrace all relevant occupations not just traditional trades

In marketing and raising the status of Vocational Education and Training (VET), it is important that all relevant pathways and occupations are embraced to reflect the diversity of occupations and industries that VET serves.

Recommendation 2: The National Careers Institute should report to the National Skills Commission, which in turn should report to the COAG Skills Council

In recognition of the importance of coordinated action of all jurisdictions and industry on skills and career development, the National Careers Institute should report to the National Skills Commission, which in turn should report to the COAG Skills Council.

Recommendation 3: An Industry-led Advisory Committee to the National Careers Institute should be established.

At least for the implementation phase, the National Careers Institute should be assisted by an advisory committee comprising of state/territory representatives, industry, school sector and career peaks.

SKILLS SHORTAGES IN HOSPITALITY INDUSTRY

EMPLOYMENT CONTRIBUTION

Many of R&CA's previous representations to governments at both a state and federal level have focussed on the chronic skills shortages affecting the ability of hospitality owners to operate sustainably and successfully. The sector already makes a significant contribution to national employment outcomes, one is projected to become even more prominent in future years. In May 2018, the sector employed 630,100 people in Australia which is expected to grow by 11.9 per cent to May 2023. The sector is expected to generate the greatest jobs growth out of any industry subsector of the Australian economy.

EXISTING SKILLS SHORTAGES

Employers amongst the hospitality sector have reported increased difficulties in filling key vacancies in their businesses across both back and front of house labour, with particular respect to the highly skilled professions of chef, cook for back of house and café and restaurant managers and Trade Waiters for front of house.

Evidence collected from R&CA's member businesses has shown a steadily increasing level of difficulty in recruiting for job vacancies within their businesses over the past 3 years. According to data from R&CA's 2019 Industry Benchmarking Report, 38.7 per cent of business-owners reported experiencing 'some' difficulties in filling positions, compared to 47.3 per cent in 2018 and 40.5 per cent in 2017. An additional 16.9 per cent of respondents also reported experiencing 'extreme' difficulties in filling staff vacancies. In total, more than half of business-owners experienced either some or extreme difficulty in filling job vacancies.

R&CA's 2019 Industry Benchmarking Report indicated that both front and back of house labour were very difficult positions to fill over the 2018-19 financial year. For back of house labour the position of chef was hardest to fill with 36.1 per cent reporting that filling chef vacancies in their businesses was 'very difficult'. A further 18.0 per cent of operators stated that they had experienced some difficulty

in recruiting for chefs. Finally, the position of cook also saw 22.0 per cent of operators experience extreme difficulties in filling vacancies with 22.8 per cent reporting some difficulty.

Relating to front of house labour, café or restaurant manager vacancies were also amongst the most significantly difficult vacancies to fill with 30.6 per cent of survey respondents reporting extreme difficulty and a further 19.8 per cent reporting some difficulty.

PROJECTED EMPLOYMENT GROWTH ACROSS HOSPITALITY INDUSTRY

Based on the current projections, the hospitality sector is expected to account for an increasing proportion of jobs growth in the Australian workforce over the coming five years, and as such the NSNL should refocus to better address these projected shortages. According to the most recently published employment projections from the Department of Jobs and Small Business, the cafe, restaurant and takeaway food subsector is expected to generate an additional 74,700 workers by May 2023. When expressed in terms of percentage growth, the sector is expected to experience employment growth of 11.9 per cent. Most significantly, the projected growth for the café, restaurant and takeaway food sector is larger than any other industry subsector. The projected employment growth associated with the café, restaurant and takeaway food sector showing other industry subsectors is also demonstrated below.

PROJECTED EMPLOYMENT GROWTH IN KEY OCCUPATIONS

According to the most recent projections from the Department of Jobs and Small Business, the café, restaurant and takeaway food sector will create a total 74,700 jobs by May 2023. When represented in percentage terms, the sector is projected to experience 11.9 per cent growth in the total number of positions over this five-year period. In terms of individual hospitality sector occupations, a large proportion of the growth in the hospitality sector can be attributed to the demand for the skilled positions of chefs, cooks and café or restaurant managers.

Demand for each of these three key hospitality sector occupations is expected to grow significantly over the five years to May 2023. As shown in Figure 3, projected growth in the number of cooks, chefs and café or restaurant managers is expected to reach double-digit growth of 13.6 per cent, 16.7 per cent and 13.9 per cent respectively.

Further, while occupations such as cooks and chefs are currently listed on the NSNL relate to back of house labour, occupations with similar or higher projected shortages do not currently enjoy the same level of government assistance or action in filling these roles such as trade waiters and restaurant managers.

Employment growth projections by hospitality occupation to May 2023

Unit Group Code	Occupation	Employment level May 2018 ('000)	Department of Employment Projections		
			Projected employment level May 2023 ('000)	Projected employment growth five years to May 2023	
				('000)	(%)
3514	Cooks	45.5	51.8	6.2	13.6
3513	Chefs	100.8	117.5	16.8	16.7
1411	Cafe or Restaurant Managers	69.4	79.0	9.7	13.9
1511	Trade Waiter	138.3	160.1	21.8	15.8

Source: Department of Jobs and Small Business (2018) Occupation Projections to May 2023.

OPERATION OF THE NCI

SCOPE OF THE NCI

The proposed role of the NCI to create awareness of education and career pathways, to establish a navigation framework to help participants in their exploration of options and raise the status of VET is one of its most important functions.

R&CA is aware that the Commonwealth Government recently appointed Scott Cam as the first Careers Ambassador. The public profile of this Ambassador is an important part of why he was chosen to fill the role and R&CA hopes that he will contribute most positively to the public perception of VET-related occupations. However, R&CA believes that it is important that in promoting VET pathways and connected careers that stereotypes VET as only about trades are not reinforced, and that the marketing reflects the diversity of occupations connected to VET.

One way to achieve a balance in the message would be to appoint a second ambassador – not from the trades, but potentially from the service sector for example a high profile chef.

STRUCTURE AND INTERACTION WITH THE NSC

The critical importance of the NCI's connections with the National Skills Commission (NSC), Commonwealth, State and Territory governments, Industry and career sector stakeholders suggests the need for the following:

- It is recommended that the NCI reports to the NCS. This presumes that the NSC will report to COAG and also have a skills analysis role that is broader than VET related occupations, and that it will have a strategic role in workforce development for the economy overall.
- That the NCI be supported by an industry-led advisory committee that at the very least will cover the implementation of the key deliverables. Membership of this committee should include State and Territory representatives, industry, school sector and peak career bodies.

Effective outcomes in career development can only be achieved if all jurisdictions and industry are at the same table. This reinforces the importance of NCI coming within the COAG orbit, and the vital role that the advisory committee will play in reinforcing the need for national leadership and coordinated action.

CONCLUSION

R&CA welcomes the Commonwealth Government's consultation on NCI and appreciates the opportunity to provide feedback on behalf of more than 47,000 employers in the café, restaurant and catering sector. In R&CA's view, the current VET system is failing to meet the skilled labour needs of hospitality employers and is ill-equipped to meet the significant employment demand in the hospitality sector over the subsequent five years. R&CA believes that reforming the VET sector should be of the highest priority for the Commonwealth Government, given its importance in ensuring that Australia's workforce is able to meet the demands of the future economy.

R&CA looks forward to working with the Commonwealth Government to continue to refine the NCI.

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